

more than 1,500 persons.⁹⁴ There are approximately 1,000 licensees in the Rural Radiotelephone Service, and we estimate that almost all of them qualify as small entities under the SBA's definition.

46. Air-Ground Radiotelephone Service. The Commission has not adopted a definition of small entity specific to the Air-Ground Radiotelephone Service.⁹⁵ Accordingly, we will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁹⁶ There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and we estimate that almost all of them qualify as small under the SBA definition.

47. Specialized Mobile Radio (SMR). The Commission awards bidding credits in auctions for geographic area 800 MHz and 900 MHz SMR licenses to firms that had revenues of no more than \$15 million in each of the three previous calendar years.⁹⁷ In the context of 900 MHz SMR, this regulation defining "small entity" has been approved by the SBA; approval concerning 800 MHz SMR is being sought.

48. The proposed fees in the NPRM apply to SMR providers in the 800 MHz and 900 MHz bands that either hold geographic area licenses or have obtained extended implementation authorizations. We do not know how many firms provide 800 MHz or 900 MHz geographic area SMR service pursuant to extended implementation authorizations, nor how many of these providers have annual revenues of no more than \$15 million. One firm has over \$15 million in revenues. We assume, for purposes of this IRFA, that all of the remaining existing extended implementation authorizations are held by small entities, as that term is defined by the SBA.

49. The Commission has held auctions for geographic area licenses in the 900 MHz SMR band, and recently completed an auction for geographic area 800 MHz SMR licenses. There were 60 winning bidders who qualified as small entities in the 900 MHz auction. In the recently concluded 800 MHz SMR auction there were 524 licenses awarded to winning bidders, of which 38 were won by small or very small entities.

50. Private Land Mobile Radio (PLMR). PLMR systems serve an essential role in a range of industrial, business, land transportation, and public safety activities. These radios are used by companies of all sizes operating in all U.S. business categories. The Commission has not developed a definition of small entity specifically applicable to PLMR licensees due to the vast array of PLMR users. For the purpose of determining whether a licensee is a small business as defined by the SBA, each licensee would need to be evaluated within its own business area.

⁹⁴ 13 C.F.R. § 121.201, SIC code 4812.

⁹⁵ The service is defined in Section 22.99 of the Commission's Rules, 47 C.F.R. §§ 22.99.

⁹⁶ 13 C.F.R. § 121.201, SIC code 4812.

⁹⁷ See 47 C.F.R. § 90.814(b)(1).

51. The Commission is unable at this time to estimate the number of small businesses which could be impacted by the rules. However, the Commission's 1994 Annual Report on PLMRs⁹⁸ indicates that at the end of FY 1994 there were 1,087,267 licensees operating 12,481,989 transmitters in the PLMR bands below 512 MHz. Because any entity engaged in a commercial activity is eligible to hold a PLMR license, the proposed rules in this context could potentially impact every small business in the United States.

52. **Amateur Radio Service.** We estimate that 10,000 applicants will apply for vanity call signs in FY 1998. All are presumed to be individuals. All other amateur licensees are exempt from payment of regulatory fees.

53. **Aviation and Marine Radio Service.** Small businesses in the aviation and marine radio services use a marine very high frequency (VHF) radio, any type of emergency position indicating radio beacon (EPIRB) and/or radar, a VHF aircraft radio, and/or any type of emergency locator transmitter (ELT). The Commission has not developed a definition of small entities specifically applicable to these small businesses. Therefore, the applicable definition of small entity is the definition under the SBA rules for radiotelephone communications.⁹⁹

54. Most applicants for recreational licenses are individuals. Approximately 581,000 ship station licensees and 131,000 aircraft station licensees operate domestically and are not subject to the radio carriage requirements of any statute or treaty. Therefore, for purposes of our evaluations and conclusions in this IRFA, we estimate that there may be at least 712,000 potential licensees which are individuals or are small entities, as that term is defined by the SBA. We estimate, however, that only 16,500 will be subject to FY 1998 regulatory fees.

55. **Fixed Microwave Services.** Microwave services include common carrier,¹⁰⁰ private-operational fixed,¹⁰¹ and broadcast auxiliary radio services.¹⁰² At present, there are approximately 22,015 common carrier fixed licensees and 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not yet defined a small business with respect to microwave services. For purposes of this

⁹⁸ Federal Communications Commission, 60th Annual Report, Fiscal Year 1994, at 116.

⁹⁹ 13 C.F.R. § 121.201, SIC code 4812.

¹⁰⁰ 47 C.F.R. § 101 et seq. (formerly, Part 21 of the Commission's Rules).

¹⁰¹ Persons eligible under Parts 80 and 90 of the Commission's rules can use Private Operational-Fixed Microwave services. See 47 C.F.R. Parts 80 and 90. Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use the operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

¹⁰² Auxiliary Microwave Service is governed by Part 74 of Title 47 of the Commission's Rules. See 47 C.F.R. § 74 et seq. Available to licensees of broadcast stations and to broadcast and cable network entities, broadcast auxiliary microwave stations are used for relaying broadcast television signals from the studio to the transmitter, or between two points such as a main studio and an auxiliary studio. The service also includes mobile TV pickups, which relay signals from a remote location back to the studio.

IRFA, we will utilize the SBA's definition applicable to radiotelephone companies -- i.e., an entity with no more than 1,500 persons.¹⁰³ We estimate, for this purpose, that all of the Fixed Microwave licensees (excluding broadcast auxiliary licensees) would qualify as small entities under the SBA definition for radiotelephone companies.

56. Public Safety Radio Services. Public Safety radio services include police, fire, local government, forestry conservation, highway maintenance, and emergency medical services.¹⁰⁴ There are a total of approximately 127,540 licensees within these services. Governmental entities as well as private businesses comprise the licensees for these services. As indicated supra in ¶ 4 of this IRFA, all governmental entities with populations of less than 50,000 fall within the definition of a small entity.¹⁰⁵ All licensees in this category are exempt from the payment of regulatory fees.

57. Personal Radio Services. Personal radio services provide short-range, low power radio for personal communications, radio signalling, and business communications not provided for in other services. The services include the citizen's band (CB) radio service, general mobile radio service (GMRS), radio control radio service, and family radio service (FRS).¹⁰⁶ Inasmuch as the CB, GMRS, and FRS licensees are individuals, no small business definition applies for these services. We are unable at this time to estimate the number of other licensees that would qualify as small under the SBA's definition; however, only GMRS licensees are subject to regulatory fees.

58. Offshore Radiotelephone Service. This service operates on several UHF TV broadcast channels that are not used for TV broadcasting in the coastal area of the states bordering the Gulf

¹⁰³ 13 C.F.R. § 121.201, SIC 4812.

¹⁰⁴ With the exception of the special emergency service, these services are governed by Subpart B of Part 90 of the Commission's Rules, 47 C.F.R. §§ 90.15 - 90.27. The police service includes 26,608 licensees that serve state, county, and municipal enforcement through telephony (voice), telegraphy (code) and teletype and facsimile (printed material). The fire radio service includes 22,677 licensees comprised of private volunteer or professional fire companies as well as units under governmental control. The local government service that is presently comprised of 40,512 licensees that are state, county, or municipal entities that use the radio for official purposes not covered by other public safety services. There are 7,325 licensees within the forestry service which is comprised of licensees from state departments of conservation and private forest organizations who set up communications networks among fire lookout towers and ground crews. The 9,480 state and local governments are licensed to highway maintenance service provide emergency and routine communications to aid other public safety services to keep main roads safe for vehicular traffic. The 1,460 licensees in the Emergency Medical Radio Service (EMRS) use the 39 channels allocated to this service for emergency medical service communications related to the delivery of emergency medical treatment. 47 C.F.R. §§ 90.15 - 90.27. The 19,478 licensees in the special emergency service include medical services, rescue organizations, veterinarians, handicapped persons, disaster relief organizations, school buses, beach patrols, establishments in isolated areas, communications standby facilities, and emergency repair of public communications facilities. 47 C.F.R. §§ 90.33 - 90.55.

¹⁰⁵ 5 U.S.C. § 601(5).

¹⁰⁶ Licensees in the Citizens Band (CB) Radio Service, General Mobile Radio Service (GMRS), Radio Control (R/C) Radio Service and Family Radio Service (FRS) are governed by Subpart D, Subpart A, Subpart C, and Subpart B, respectively, of Part 95 of the Commission's Rules. 47 C.F.R. §§ 95.401 - 95.428; §§ 95.1 - 95.181; §§ 95.201 - 95.225; 47 C.F.R. §§ 95.191 - 95.194.

of Mexico.¹⁰⁷ At present, there are approximately 55 licensees in this service. We are unable at this time to estimate the number of licensees that would qualify as small under the SBA's definition for radiotelephone communications.

59. Wireless Communications Services. This service can be used for fixed, mobile, radiolocation and digital audio broadcasting satellite uses. The Commission defined "small business" for the wireless communications services (WCS) auction as an entity with average gross revenues of \$40 million for each of the three preceding years, and a "very small business" as an entity with average gross revenues of \$15 million for each of the three preceding years. The Commission auctioned geographic area licenses in the WCS service. In the auction, there were seven winning bidders that qualified as very small business entities, and one that qualified as a small business entity. We conclude that the number of geographic area WCS licensees affected includes these eight entities.

IV. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements:

60. With certain exceptions, the Commission's Schedule of Regulatory Fees applies to all Commission licensees and regulatees. Most licensees will be required to count the number of licenses or call signs authorized, complete and submit an FCC Form 159, "FCC Remittance Advice," and pay a regulatory fee based on the number of licenses or call signs.¹⁰⁸ Interstate telephone service providers must compute their annual regulatory fee based on their adjusted gross interstate revenue using information they already supply to the Commission in compliance with the TRS Fund, and they must complete and submit the FCC Form 159. Compliance with the fee schedule will require some licensees to tabulate the number of units (e.g., cellular telephones, pagers, cable TV subscribers) they have in service, complete and submit an FCC Form 159. Licensees ordinarily will keep a list of the number of units they have in service as part of their normal business practices. Licensees/regulatees that must pay on the basis of subscriber counts shall submit documentation which supports the number of units for which payment is submitted. Each licensee/regulatee shall provide certification by affixing their

¹⁰⁷ This service is governed by Subpart I of Part 22 of the Commission's Rules. See 47 C.F.R. §§ 22.1001 - 22.1037.

¹⁰⁸ The following categories are exempt from the Commission's Schedule of Regulatory Fees: Amateur radio licensees (except applicants for vanity call signs) and operators in other non-licensed services (e.g., Personal Radio, part 15, ship and aircraft). Governments and non-profit (exempt under Section 501(c) of the Internal Revenue Code) entities are exempt from payment of regulatory fees and need not submit payment. Non-commercial educational broadcast licensees are exempt from regulatory fees as are licensees of auxiliary broadcast services such as low power auxiliary stations, television auxiliary service stations, remote pickup stations and aural broadcast auxiliary stations where such licenses are used in conjunction with commonly owned non-commercial educational stations. Emergency Alert System licenses for auxiliary service facilities are also exempt as are instructional television fixed service licensees. Regulatory fees are automatically waived for the licensee of any translator station that: (1) is not licensed to, in whole or in part, and does not have common ownership with, the licensee of a commercial broadcast station; (2) does not derive income from advertising; and (3) is dependent on subscriptions or contributions from members of the community served for support. Receive only earth station permittees are exempt from payment of regulatory fees. A regulatee will be relieved of its fee payment requirement if its total fee due, including all categories of fees for which payment is due by the entity, amounts to less than \$10.

signature to the FCC Form 159 that all information submitted is true and accurate. No additional outside professional skills are required to complete the FCC Form 159, and it can be completed by the employees responsible for an entity's business records.

61. Each licensee must submit the FCC Form 159 to the Commission's lockbox bank after computing the number of units subject to the fee. As an option, licensees are permitted to file electronically or on computer diskette to minimize the burden of submitting multiple copies of the FCC Form 159. Although not mandatory, the latter procedure may require additional technical skills. Licensees who pay small fees in advance supply fee information as part of their application and do not need to use the FCC Form 159.

62. Licensees and regulatees are advised that failure to submit the required regulatory fee and/or the required supporting documentation in a timely manner will subject the licensee or regulatee to a late payment fee of an additional 25% in addition to the required fee.¹⁰⁹ Until payment is received, no new or pending applications will be processed, and existing authorizations may be subject to rescission.¹¹⁰ Further, in accordance with the Debt Collection Improvement Act of 1996, federal agencies may bar a person or entity from obtaining a federal loan or loan insurance guarantees if that person or entity fails to pay a delinquent debt owed to any federal agency.¹¹¹ Thus, debts owed to the Commission may result in a person or entity being denied a federal loan or loan guarantee pending before another federal agency until such obligations are paid.¹¹²

63. The Commission's rules currently make provision for relief in exceptional circumstances. Persons or entities that believe they have been placed in the wrong regulatory fee category or are experiencing extraordinary and compelling financial hardship, upon a showing that such circumstances override the public interest in reimbursing the Commission for its regulatory costs, may request a waiver, reduction or deferment of payment of the regulatory fee.¹¹³ However, timely submission of the required regulatory fee must accompany requests for waivers or reductions. This will avoid any late payment penalty if the request is denied. The fee will be refunded if the request is granted. In exceptional and compelling instances (where payment of the regulatory fee along with the waiver or reduction request could result in reduction of service to a community or other financial hardship to the licensee), the Commission will accept a petition to defer payment along with a waiver or reduction request.

¹⁰⁹ 47 U.S.C. § 1.1164(a).

¹¹⁰ 47 U.S.C. § 1.1164(c).

¹¹¹ Public Law 104-134, 110 Stat. 1321 (1996).

¹¹² 31 U.S.C. § 7701(c)(2)(B).

¹¹³ 47 U.S.C. § 1.1166.

V. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:

64. The Omnibus Consolidated Appropriation Act, Public Law 105-119 , requires the Commission to revise its Schedule of Regulatory Fees in order to recover the amount of regulatory fees that Congress, pursuant to section 9(a) of the Communications Act, as amended, has required it to collect for Fiscal Year (FY) 1998. See 47 U.S.C. §159 (a). We have sought comment on the proposed methodology for implementing these statutory requirements and any other potential impact of these proposals on small business entities.

65. With the use actual cost accounting data for computation of regulatory fees, we found that some fees which were very small in previous years would have increased dramatically. The statute establishing regulatory fees provides for permitted amendments to be made to the schedule of fees in the public interest.¹¹⁴ The methodology adopted in this Report and Order minimizes this impact by limiting the amount of increase and shifting costs to other services which, for the most part, are larger entities.

66. We have developed and adopted an alternative methodology for assessing fees to recover the regulatory costs attributable to AM and FM radio stations. The radio industry has requested additional relief for small stations, and we offered two alternative proposals for comment. One would update the schedule of fees adopted in the FY 1997 Report and Order. The other proposal would increase the differences in the fee amount between larger and smaller stations. Both options benefitted by changing the service contours used to determine populations for determining station size. The impact of adoption of our proposal will result in lower fees for smaller, less powerful stations relative to larger, more powerful stations in the same radio market; or stations potentially serving a larger population.

67. Several categories of licensees and regulatees are exempt from payment of regulatory fees. See, e.g., footnote 108, supra, and Attachment H of this Report and Order, infra.

Report to Congress: The Commission shall include a copy of this Final Regulatory Flexibility Analysis, along with this Report and Order, in a report to Congress pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U.S.C. § 801(a)(1)(A). A copy of this FRFA (or summary thereof) will also be published in the Federal Register, along with this Report and Order.

¹¹⁴ See 47 U.S.C. §§ 159(b)(1)(A) and (b)(3).

SOURCES OF PAYMENT UNIT ESTIMATES FOR FY 1998

In order to calculate individual service fees for FY 1998, we adjusted FY 1997 payment units for each service to more accurately reflect expected FY 1998 payment liabilities. We obtained our updated estimates through a variety of means. For example, we used Commission licensee data bases, actual prior year payment records and industry and trade association projections when available. We tried to obtain verification for these estimates from multiple sources and, in all cases, we compared FY 1998 estimates with actual FY 1997 payment units to ensure that our revised estimates were reasonable. Where it made sense, we adjusted and/or rounded our final estimates to take into consideration the fact that certain variables that impact on the number of payment units cannot yet be estimated exactly. These include an unknown number of waivers and/or exemptions that may occur in FY 1998 and the fact that, in many services, the number of actual licensees or station operators fluctuates from time to time due to economic, technical or other reasons. Therefore, when we note, for example, that our estimated FY 1998 payment units are based on FY 1997 actual payment units, it does not necessarily mean that our FY 1998 projection is exactly the same number as FY 1997. It means that we have either rounded the FY 1998 number or adjusted it slightly to account for these variables.

FEE CATEGORY	SOURCES OF PAYMENT UNIT ESTIMATES
Land Mobile (All), Microwave, IVDS ¹¹⁵ , Marine (Ship & Coast), Aviation (Aircraft & Ground), GMRS, Amateur Vanity Call Signs, Domestic Public Fixed	Based on Wireless Telecommunications Bureau (WTB) projections of new applications and renewals taking into consideration existing Commission licensee data bases. Aviation (Aircraft) and Marine (Ship) estimates have been adjusted to take into consideration the licensing of portions of these services on a voluntary basis.
CMRS Mobile Services	Based on actual FY 1997 payment units adjusted to take into consideration industry estimates of growth between FY 1997 and FY 1998 and Wireless Telecommunications Bureau projections of new applications and average number of mobile units associated with each application.
CMRS Messaging Services	Based on industry estimates of the number of units in operation.
AM/FM Radio Stations	Based on actual FY 1997 payment units.
UHF/VHF Television Stations	Based on actual FY 1997 payment units.
AM/FM/TV Construction Permits	Based on actual FY 1997 payment units.
LPTV, Translators and Boosters	Based on actual FY 1997 payment units.
Auxiliaries	Based on actual FY 1997 payment units.
MDS/MMDS	Based on actual FY 1997 payment units.
Cable Antenna Relay Service (CARS)	Based on actual FY 1997 payment units.
Cable Television System Subscribers	Based on Cable Services Bureau and industry estimates of subscribership.
Interstate Telephone Service Providers	Based on actual FY 1997 interstate revenues associated with contributions to the Telecommunications Relay System (TRS) Fund, adjusted to take into consideration FY 1998 revenue growth in this industry as estimated by the Common Carrier Bureau.
Earth Stations	Based on actual FY 1997 payment units.
Space Stations (GEOs & NGEOS)	Based on International Bureau licensee data bases.
International Bearer Circuits	Based on International Bureau estimate.
International HF Broadcast Stations, International Public Fixed Radio Service	Based on actual FY 1997 payment units.

¹¹⁵ The Wireless Telecommunications Bureau's staff advises that they do not anticipate receiving any applications for IVDS in FY 1998. Therefore, since there is no volume, there will be no regulatory fee in the IVDS category for FY 1998.

CALCULATION OF REVENUE REQUIREMENTS

Fee Category	FY 1998 Payment Units	(times) FY 1997 Fee	(times) Payment Years	(equals) Computed FY 1998 Revenue Requirement	Pro-Rated Revenue Requirement**
LM (220 MHz, >470 MHz-Base, SMRS)	4,645	10	5	232,250	225,691
Private Microwave	3,830	10	10	383,000	372,184
Domestic Public Fixed/Comc'l Microwave	5,150	10	10	515,000	500,456
IVDS	0	0	5	0	0
Marine (Ship)	16,500	5	10	825,000	801,702
GMRS/Other LM	72,465	5	5	1,811,625	1,760,465
Aviation (Aircraft)	3,500	5	10	175,000	170,058
Marine (Coast)	1,370	5	5	34,250	33,283
Aviation (Ground)	1,865	5	5	46,625	45,308
Amateur Vanity Call Signs	10,000	5	10	500,000	485,880
AM/FM Radio	8,646	1,126	1	9,735,396	9,460,469
AM Construction Permits	62	195	1	12,090	11,748
FM Construction Permits	473	950	1	449,350	436,860
Satellite TV	105	950	1	99,750	96,933
Satellite TV Construction Permit	10	345	1	3,450	3,353
VHF Markets 1-10	42	35,025	1	1,471,050	1,429,508
VHF Markets 11-25	61	28,450	1	1,735,450	1,686,441
VHF Markets 26-50	71	18,600	1	1,320,600	1,283,306
VHF Markets 51-100	118	9,850	1	1,162,300	1,129,477
VHF Remaining Markets	207	2,725	1	564,075	548,146
VHF Construction Permits	10	4,800	1	48,000	46,644
UHF Markets 1-10	94	16,850	1	1,583,900	1,539,171
UHF Markets 11-25	96	13,475	1	1,293,600	1,257,069
UHF Markets 26-50	124	8,750	1	1,085,000	1,054,360
UHF Markets 51-100	172	4,725	1	812,700	789,749
UHF Remaining Markets	182	1,350	1	245,700	238,761
UHF Construction Permits	50	2,975	1	148,750	144,549
Auxiliaries	20,000	25	1	500,000	485,880
International HF Broadcast	4	390	1	1,560	1,516
LPTV/Translators/Boosters	2,290	220	1	503,800	489,573
CARS	1,800	65	1	117,000	113,686
Cable Systems	66,000,000	0.54	1	35,640,000	34,633,630
Interstate Telephone Service Providers	70,103,000,000	0.00116	1	81,319,480	79,023,026
CMRS Mobile Services (Cellular/Public Mobile)	55,540,000	0.24	1	13,329,600	12,953,173
CMRS Messaging Services	39,592,000	0.03	1	1,187,760	1,154,218
MDS/MMDS	1,878	215	1	403,770	392,368
International Circuits	325,000	5	1	1,625,000	1,579,110
International Public Fixed	3	310	1	930	904
Earth Stations	3,000	515	1	1,545,000	1,501,369
Space Stations (Geostationary)	46	97,975	1	4,506,850	4,379,577
Space Stations (Non-geostationary)	2	135,675	1	271,350	263,687
***** Total Estimated Revenue Collected				167,246,011	162,523,000
***** Total Revenue Requirement				162,523,000	162,523,000
Difference				4,723,011	0

** 0.971760098 factor applied

CALCULATION OF REGULATORY COSTS

Attachment D

Fee Category	Actual FY 1997 Regulatory Costs	Overhead & Other Indirect Pro Rated	Total Costs With Overhead & Other Indirect Pro Rated	Total Costs Pro-Rated To \$162 Million**	Adjusted Pro-Rated Costs***
LM (220 MHz, >470 MHz-Base, SMRS)	1,952,428	98,195	2,050,623	2,113,136	2,113,136
Microwave	4,860,809	244,469	5,105,277	5,260,912	5,260,912
IVDS	2,122,499	106,749	2,229,248	2,297,206	2,297,206
Marine (Ship)	2,754,238	138,521	2,892,759	2,980,945	2,980,945
GMRS/Other LM	5,943,682	298,930	6,242,612	6,432,918	6,432,918
Aviation (Aircraft)	980,895	49,333	1,030,228	1,061,635	1,061,635
Marine (Coast)	685,608	34,482	720,090	742,041	742,041
Aviation (Ground)	562,239	28,277	590,516	608,518	608,518
Amateur Vanity Call Signs	88,615	4,457	93,072	95,909	95,909
AM/FM Radio	14,125,529	710,427	14,835,955	15,288,230	14,396,926
AM Construction Permits					103,960
FM Construction Permits					787,344
Satellite TV					138,603
Satellite TV Construction Permit					3,489
VHF Television	4,957,533	249,333	5,206,866	5,365,598	
VHF Markets 1-10					1,177,538
VHF Markets 11-25					1,423,609
VHF Markets 26-50					1,134,321
VHF Markets 51-100					1,055,080
VHF Remaining Markets					479,377
VHF Construction Permits					18,765
UHF Television	2,954,865	148,611	3,103,476	3,198,086	
UHF Markets 1-10					993,777
UHF Markets 11-25					767,939
UHF Markets 26-50					614,629
UHF Markets 51-100					510,374
UHF Remaining Markets					147,610
UHF Construction Permits					98,573
Auxiliaries	146,460	7,366	153,826	158,515	158,515
International HF Broadcast	217,931	10,961	228,891	235,869	235,869
LPTV/Translators/Boosters	736,547	37,044	773,590	797,173	797,173
CARS	61,797	3,108	64,905	66,883	66,883
Cable Systems	20,125,023	1,012,164	21,137,187	21,781,555	21,781,555
Interstate Telephone Service Providers	53,234,026	2,677,341	55,911,367	57,615,828	57,615,828
CMRS Mobile Services (Cellular/Public Mobile)	11,273,798	567,002	11,840,801	12,201,768	12,201,768
CMRS Messaging Services	6,015,701	302,552	6,318,254	6,510,866	6,510,866
MDS/MMDS	1,357,260	68,262	1,425,521	1,468,979	1,468,979
International Circuits	8,253,772	415,114	8,668,886	8,933,157	8,933,157
International Public Fixed	193,436	9,729	203,165	209,358	209,358
Earth Stations	339,999	17,100	357,099	367,985	367,985
Space Stations (Geostationary)	5,677,889	285,563	5,963,452	6,145,248	6,145,248
Space Stations (Non-Geostationary)	540,215	27,169	567,385	584,681	584,681
Overhead & Other Indirect Costs	7,552,257				
***** Total	157,715,049	7,552,257	157,715,049	162,523,000	159,839,216
***** Total Revenue Requirement	162,523,000		162,523,000	162,523,000	162,523,000
Difference	(4,807,951)		(4,807,951)	0	(2,683,784)

** 1.046987 factor applied

*** The pro rated costs shown in the previous column needed to be adjusted to sub-allocate actual TV and radio costs.

Note: Columns may not add due to rounding.

CALCULATION OF FY 1998 REGULATORY FEES

Attachment E

Fee Category	Pro-Rated Revenue Requirement	Adjusted Activity Costs	Costs vs. Revenue Requirement Difference	Pro-Rated Revenue Requirement Plus 25% Ceiling	Round 1 Target Revenue	Round 1 Adjustable Target Revenue	Round 1 Pro-Rated Target Revenue**	Round 2 Target Revenue	Round 2 Adjustable Target Revenue	Round 2 Pro-Rated Target Revenue***	Computed New FY 1998 Regulatory Fee	Rounded New FY 1998 Regulatory Fee	Expected FY 1998 Revenue
LM (220 MHz, >470 MHz Base, SMRS)	225,691	2,113,136	836.30%	282,114	282,114		282,114	282,114		282,114	12	12	278,700
Microwave	872,640	5,260,912	502.87%	1,090,800	1,090,800		1,090,800	1,090,800		1,090,800	12	12	1,077,600
IVDS	0	2,297,206		0	0		0	0		0	0	0	0
Marine (Ship)	801,702	2,980,945	271.83%	1,002,128	1,002,128		1,002,128	1,002,128		1,002,128	6	6	990,000
GMRS/Other LM	1,760,465	6,432,918	265.41%	2,200,581	2,200,581		2,200,581	2,200,581		2,200,581	6	6	2,173,950
Aviation (Aircraft)	170,058	1,061,635	524.28%	212,573	212,573		212,573	212,573		212,573	6	6	210,000
Marine (Coast)	33,283	742,041	2129.49%	41,604	41,604		41,604	41,604		41,604	6	6	41,100
Aviation (Ground)	45,308	608,518	1243.07%	56,635	56,635		56,635	56,635		56,635	6	6	55,950
Amateur Vanity Call Signs	485,880	95,909	(80.26%)	607,350	95,909	95,909	128,372	128,372	128,372	128,527	1.29	1.30	130,000
AM/FM Radio	9,460,469	14,396,926	52.18%	11,825,586	11,825,586		11,825,586	11,825,586		11,825,586	1,368	1,375	11,888,250
AM Construction Permits	11,749	103,960	784.84%	14,686	14,686		14,686	14,686		14,686	237	235	14,570
FM Construction Permits	436,660	787,344	80.31%	545,825	545,825		545,825	545,825		545,825	1,154	1,150	543,950
Satellite TV	96,933	138,603	42.99%	121,166	121,166		121,166	121,166		121,166	1,166	1,175	123,375
Satellite TV Construction Permit	3,353	3,489	4.06%	4,191	3,489	3,489	4,670	4,191		4,191	419	420	4,200
VHF Markets 1-10	1,429,508	1,177,538	(17.63%)	1,786,885	1,177,538	1,177,538	1,576,112	1,576,112	1,576,112	1,578,013	37,572	37,575	1,578,150
VHF Markets 11-25	1,686,441	1,423,609	(15.59%)	2,108,051	1,423,609	1,423,609	1,905,473	1,905,473	1,905,473	1,907,772	31,275	31,275	1,907,775
VHF Markets 26-50	1,283,306	1,134,321	(11.61%)	1,604,133	1,134,321	1,134,321	1,518,267	1,518,267	1,518,267	1,520,098	21,410	21,400	1,519,400
VHF Markets 51-100	1,129,477	1,055,080	(6.59%)	1,411,846	1,055,080	1,055,080	1,412,204	1,411,846		1,411,846	11,965	11,975	1,413,050
VHF Remaining Markets	548,146	479,377	(12.55%)	685,183	479,377	479,377	641,637	641,637	641,637	642,411	3,103	3,100	641,700
VHF Construction Permits	46,664	18,765	(59.79%)	58,350	18,765	18,765	25,117	25,117	25,117	25,147	2,515	2,525	25,250
UHF Markets 1-10	1,539,171	993,777	(35.43%)	1,923,964	993,777	993,777	1,330,151	1,330,151	1,330,151	1,331,756	14,168	14,175	1,332,450
UHF Markets 11-25	1,257,069	767,939	(38.91%)	1,571,336	767,939	767,939	1,027,872	1,027,872	1,027,872	1,029,111	10,720	10,725	1,029,600
UHF Markets 26-50	1,054,360	614,629	(41.71%)	1,317,950	614,629	614,629	822,669	822,669	822,669	823,661	6,642	6,650	824,600
UHF Markets 51-100	789,749	510,374	(35.38%)	987,186	510,374	510,374	683,126	683,126	683,126	683,950	3,976	3,975	683,700
UHF Remaining Markets	238,761	147,610	(38.18%)	298,451	147,610	147,610	197,573	197,573	197,573	197,811	1,087	1,075	195,650
UHF Construction Permits	144,549	98,573	(31.81%)	180,686	98,573	98,573	131,938	131,938	131,938	132,097	2,642	2,650	132,500
Auxiliaries	485,880	158,515	(67.38%)	607,350	158,515	158,515	212,169	212,169	212,169	212,425	11	11	220,000
International HF Broadcast	1,516	235,869	15458.64%	1,895	1,895		1,895	1,895		1,895	474	475	1,900
LPTV/Translators/Boosters	489,573	797,173	82.83%	611,966	611,966		611,966	611,966		611,966	267	265	606,850
CARS	113,696	66,883	(41.17%)	142,120	66,883	66,883	89,522	89,522	89,522	89,630	50	50	80,000
Cable Systems	34,633,530	21,781,555	(37.11%)	43,291,913	21,781,555	21,781,555	29,154,192	29,154,192	29,154,192	29,189,360	0.44	0.44	29,189,360
Interstate Telephone Service Providers	78,023,026	57,615,828	(27.09%)	98,778,783	57,615,828	57,615,828	77,117,676	77,117,676	77,117,676	77,210,702	0.0011	0.0011	77,210,702
CMRS Mobile Services (Cellular/Public Mobile)	12,953,173	12,201,768	(5.80%)	16,191,466	12,201,768	12,201,768	16,331,831	16,191,466		16,191,466	0.29	0.29	16,191,466
CMRS Messaging Services	1,154,218	6,510,866	464.09%	1,442,773	1,442,773		1,442,773	1,442,773		1,442,773	0.04	0.04	1,442,773
MDS/MMDS	392,368	1,468,979	274.39%	490,460	490,460		490,460	490,460		490,460	261	260	488,280
International Circuits	1,579,110	8,933,157	465.71%	1,973,888	1,973,888		1,973,888	1,973,888		1,973,888	6	6	1,950,000
International Public Fixed	904	209,358	23059.07%	1,130	1,130		1,130	1,130		1,130	377	375	1,125
Earth Stations	1,501,369	367,985	(75.49%)	1,876,711	367,985	367,985	492,541	492,541	492,541	493,135	164	165	495,000
Space Stations (Geostationary)	4,379,577	6,145,248	40.32%	5,474,471	5,474,471		5,474,471	5,474,471		5,474,471	119,010	119,000	5,474,000
Space Stations (Non-Geostationary)	263,687	584,681	121.73%	329,609	329,609		329,609	329,609		329,609	164,804	164,800	329,000
***** Total Estimated Revenue Collected	162,523,019	162,522,999		203,153,774	128,433,413	100,713,524	162,523,000	162,381,798	117,054,406	162,524,243			162,506,526
***** Total Revenue Requirement	162,523,000	162,523,000		162,523,000	162,523,000		162,523,000	162,523,000		162,523,000			162,523,000
Difference	19	(1)		40,630,774	(34,089,587)		0	(141,202)		1,243			(16,474)

** 1.33782803 factor applied *** 1.003487295 factor applied

FY 1998 SCHEDULE OF REGULATORY FEES

Fee Category	Annual Regulatory Fee
PMRS (per license) (Formerly Land Mobile - Exclusive Use at 220-222 MHz, above 470 MHz, Base Station and SMRS) (47 CFR Part 90)	12
Microwave (per license) (47 CFR Part 101)	12
Interactive Video Data Service (per license) (47 CFR Part 95)	No Fee
Marine (Ship) (per station) (47 CFR Part 80)	6
Marine (Coast) (per license) (47 CFR Part 80)	6
General Mobile Radio Service (per license) (47 CFR Part 95)	6
Land Mobile (per license) (all stations not covered by PMRS and CMRS)	6
Aviation (Aircraft) (per station) (47 CFR Part 87)	6
Aviation (Ground) (per license) (47 CFR Part 87)	6
Amateur Vanity Call Signs (per call sign) (47 CFR Part 97)	1.30
CMRS Mobile Services (per unit) (47 CFR Parts 20, 22, 24, 80 and 90)	.29
CMRS Messaging Services (per unit) (47 CFR Parts 20, 22 and 90)	.04
Multipoint Distribution Services (per call sign) (47 CFR Part 21)	260
TV (47 CFR Part 73) VHF Commercial	
Markets 1-10	37,575
Markets 11-25	31,275
Markets 26-50	21,400
Markets 51-100	11,975
Remaining Markets	3,100
Construction Permits	2,525
TV (47 CFR Part 73) UHF Commercial	
Markets 1-10	14,175
Markets 11-25	10,725
Markets 26-50	6,650
Markets 51-100	3,975
Remaining Markets	1,075

Fee Category	Annual Regulatory Fee
Construction Permits	2,650
Satellite Television Stations (All Markets)	1,175
Construction Permits - Satellite Television Stations	420
Low Power TV, TV/FM Translators & Boosters (47 CFR Part 74)	265
Broadcast Auxiliary (47 CFR Part 74)	11
Cable Antenna Relay Service (47 CFR Part 78)	50
Cable Television Systems (per subscriber) (47 CFR Part 76)	.44
Interstate Telephone Service Providers (per revenue dollar)	.0011
Earth Stations (47 CFR Part 25)	165
Space Stations (per operational station in geostationary orbit) (47 CFR Part 25) also includes Direct Broadcast Satellite Service (per operational station) (47 CFR Part 100)	119,000
Space Stations (per operational system in non-geostationary orbit) (47 CFR Part 25)	164,800
International Bearer Circuits (per active 64KB circuit)	6
International Public Fixed (per call sign) (47 CFR Part 23)	375
International (HF) Broadcast (47 CFR Part 73)	475

RADIO STATION REGULATORY FEES						
Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C1 & C2
<=20,000	400	300	200	250	300	400
20,001 - 50,000	750	600	300	400	600	750
50,001 - 125,000	1,250	800	400	600	800	1,250
125,001 - 400,000	1,750	1,250	600	750	1,250	1,750
400,001 - 1,000,000	2,500	2,000	1,000	1,250	2,000	2,500
>1,000,000	4,000	3,250	1,500	2,000	3,250	4,000

COMPARISON BETWEEN FY 1997 & FY 1998 PROPOSED & FINAL REGULATORY FEES

Fee Category	Annual Regulatory Fee FY 1997	NPRM Proposed Fee FY 1998	Annual Regulatory Fee FY 1998
PMRS (per license) (Formerly Land Mobile-Exclusive Use at 220-222 Mhz, above 470 Mhz, Base Station and SMRS) (47 CFR Part 90)	10	12	12
Microwave (per license) (47 CFR Part 101)	10	12	12
Interactive Video Data Service (per license) (47 CFR Part 95)	No Fee	No Fee	No Fee
Marine (Ship) (per station) (47 CFR Part 80)	5	6	6
Marine (Coast) (per license) (47 CFR Part 80)	5	6	6
General Mobile Radio Service (per license) (47 CFR Part 95)	5	6	6
Land Mobile (per license) (all stations not covered by PMRS and CMRS)	5	6	6
Aviation (Aircraft) (per station) (47 CFR Part 87)	5	6	6
Aviation (Ground) (per license) (47 CFR Part 87)	5	6	6
Amateur Vanity Call Signs (per call sign) (47 CFR Part 97)	5	1.29	1.30
CMRS Mobile Services (per unit) (47 CFR Parts 20, 22, 24, 80 and 90)	.24	.29	.29
CMRS Messaging Services [formerly One Way Paging] (per unit) (47 CFR Parts 20, 22, and 90)	.03	.04	.04
Multipoint Distribution Services (per call sign) (47 CFR Part 21)	215	260	260
AM/FM Radio (47 CFR Part 73)			
Group 1	2,000	2,500	See Radio
Group 2	1,800	2,250	See Radio
Group 3	1,600	2,000	See Radio
Group 4	1,400	1,750	See Radio
Group 5	1,200	1,500	See Radio
Group 6	1,000	1,250	See Radio
Group 7	800	1,000	See Radio
Group 8	600	750	See Radio
Group 9	400	500	See Radio
Group 10	200	250	See radio
AM Construction Permits	195	235	235

Fee Category	Annual Regulatory Fee FY 1997	NPRM Proposed Fee FY 1998	Annual Regulatory Fee FY 1998
FM Construction Permits	950	1,150	1,150
TV (47 CFR Part 73) VHF Commercial			
Markets 1-10	35,025	41,275	37,575
Markets 11-25	28,450	24,850	31,275
Markets 26-50	18,600	22,600	21,400
Markets 51-100	9,850	11,375	11,975
Remaining Markets	2,725	3,250	3,100
Construction Permits	4,800	4,100	2,525
TV (47 CFR Part 73) UHF Commercial			
Markets 1-10	16,850	14,625	14,175
Markets 11-25	13,575	10,575	10,725
Markets 26-50	8,750	5,750	6,650
Markets 51-100	4,725	3,775	3,975
Remaining Markets	1,350	1,500	1,075
Construction Permits	2,975	3,625	2,650
Satellite Television Stations (All Markets)	950	900	1,175
Construction Permits - Satellite Television Stations	345	420	420
Low Power TV, TV/FM Translators & Boosters (47 CFR Part 74)	220	265	265
Broadcast Auxiliary (47 CFR Part 74)	25	11	11
Cable Antenna Relay Service (47 CFR Part 78)	65	50	50
Earth Stations (47 CFR Part 25)	515	165	165
Cable Television Systems (per subscriber) (47 CFR Part 76)	.54	.44	.44
Interstate Telephone Service Providers (per revenue dollar)	.00116	.0011	.0011
Space Stations (per operational station in geostationary orbit) (47 CFR Part 25) also includes Direct Broadcast Satellite Service (per operational station) (47 CFR Part 100)	97,975 97,975	119,000 119,000	119,000 119,000
Space Stations (per operational system in non-geostationary orbit) (47 CFR Part 25)	135,675	164,800	164,800
International Bearer Circuits (per active 64KB circuit)	5	6	6
International Public Fixed (per call sign) (47 CFR Part 23)	310	375	375
International (HF) Broadcast (47 CFR Part 73)	390	475	475

RADIO STATION REGULATORY FEES						
Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C1 & C2
<=20,000	400	300	200	250	300	400
20,001 - 50,000	750	600	300	400	600	750
50,001 - 125,000	1,250	800	400	600	800	1,250
125,001 - 400,000	1,750	1,250	600	750	1,250	1,750
400,001 - 1,000,000	2,500	2,000	1,000	1,250	2,000	2,500
>1,000,000	4,000	3,250	1,500	2,000	3,250	4,000

DETAILED GUIDANCE ON WHO MUST PAY REGULATORY FEES

1. The guidelines below provide an explanation of regulatory fee categories established by the Schedule of Regulatory Fees in section 9 (g) of the Communications Act, 47 U.S.C. § 159(g) as modified in the instant Report and Order. Where regulatory fee categories need interpretation or clarification, we have relied on the legislative history of section 9, our own experience in establishing and regulating the Schedule of Regulatory Fees for Fiscal Years (FY) 1994, 1995, 1996, and 1997 and the services subject to the fee schedule, and the comments of the parties in our proceeding to adopt fees for FY 1998. The categories and amounts set out in the schedule have been modified to reflect changes in the number of payment units, additions and changes in the services subject to the fee requirement and the benefits derived from the Commission's regulatory activities, and to simplify the structure of the schedule. The schedule may be similarly modified or adjusted in future years to reflect changes in the Commission's budget and in the services regulated by the Commission. See 47 U.S.C. § 159(b)(2), (3).

2. Exemptions. Governments and nonprofit entities are exempt from paying regulatory fees and should not submit payment. A nonprofit entity may be asked to submit a current IRS Determination Letter documenting that it is exempt from taxes under Section 501 of the Internal Revenue Code or the certification of a governmental authority attesting to its nonprofit status. The governmental exemption applies even where the government-owned or community-owned facility is in competition with a commercial operation. Other specific exemptions are discussed below in the descriptions of other particular service categories.

1. Private Wireless Radio Services

3. Two levels of statutory fees were established for the Private Wireless Radio Services -- exclusive use services and shared use services. Thus, licensees who generally receive a higher quality communication channel due to exclusive or lightly shared frequency assignments will pay a higher fee than those who share marginal quality assignments. This dichotomy is consistent with the directive of Section 9, that the regulatory fees reflect the benefits provided to the licensees. See 47 U.S.C. § 159(b)(1)(A). In addition, because of the generally small amount of the fees assessed against Private Wireless Radio Service licensees, applicants for new licenses and reinstatements and for renewal of existing licenses are required to pay a regulatory fee covering the entire license term, with only a percentage of all licensees paying a regulatory fee in any one year. Applications for modification or assignment of existing authorizations do not require the payment of regulatory fees. The expiration date of those authorizations will reflect only the unexpired term of the underlying license rather than a new license term.

a. Exclusive Use Services

4. Private Mobile Radio Services (PMRS) (Formerly Land Mobile Services): Regulatees in this category include those authorized under part 90 of the Commission's Rules to provide limited

access Wireless Radio service that allows high quality voice or digital communications between vehicles or to fixed stations to further the business activities of the licensee. These services, using the 220-222 MHz band and frequencies at 470 MHz and above, may be offered on a private carrier basis in the Specialized Mobile Radio Services (SMRS).¹¹⁶ For FY 1998, PMRS licensees will pay a \$12 annual regulatory fee per license, payable for an entire five or ten year license term at the time of application for a new, renewal, or reinstatement license.¹¹⁷ The total regulatory fee due is either \$60 for a license with a five year term or \$120 for a license with a 10 year term.

5. **Microwave Services:** These services include private and commercial microwave systems and private and commercial carrier systems authorized under part 101 of the Commission's Rules to provide telecommunications services between fixed points on a high quality channel of communications. Microwave systems are often used to relay data and to control railroad, pipeline, and utility equipment. Commercial systems typically are used for video or data transmission or distribution. For FY 1998, Microwave licensees will pay a \$12 annual regulatory fee per license, payable for an entire ten year license term at the time of application for a new, renewal, or reinstatement license. The total regulatory fee due is \$120 for the ten year license term.

6. **Interactive Video Data Service (IVDS):** The IVDS is a two-way, point-to-multi-point radio service allocated high quality channels of communications and authorized under part 95 of the Commission's Rules. The IVDS provides information, products, and services, and also the capability to obtain responses from subscribers in a specific service area. The IVDS is offered on a private carrier basis. The Commission does not anticipate receiving any applications in the IVDS during FY 1998. Therefore, for FY 1998, there is no regulatory fee for IVDS licensees.

b. Shared Use Services

7. **Marine (Ship) Service:** This service is a shipboard radio service authorized under part 80 of the Commission's Rules to provide telecommunications between watercraft or between watercraft and shore-based stations. Radio installations are required by domestic and international law for large passenger or cargo vessels. Radio equipment may be voluntarily installed on smaller vessels, such as recreational boats. The Telecommunications Act of 1996 gave the Commission the authority to license certain ship stations by rule rather than by individual license. Private boat operators sailing entirely within domestic U.S. waters and who are not otherwise required by treaty or agreement to carry a radio, are no longer required to hold a marine license, and they will not be required to pay a regulatory fee. For FY 1998, parties required to be licensed and those choosing to be licensed for Marine (Ship) Stations will pay a \$6 annual regulatory fee per station, payable for an entire ten-year license term at the time of application for a new, renewal, or reinstatement license. The total regulatory fee due is \$60 for the ten year license term.

¹¹⁶ This category only applies to licensees of shared-use private 220-222 MHz and 470 MHz and above in the Specialized Mobile Radio (SMR) service who have elected not to change to the Commercial Mobile Radio Service (CMRS). Those who have elected to change to the CMRS are referred to ¶ 14 of this Attachment.

¹¹⁷ Although this fee category includes licenses with ten-year terms, the estimated volume of ten-year license applications in FY 1997 is less than one-tenth of one percent and, therefore, is statistically insignificant.

8. Marine (Coast) Service: This service includes land-based stations in the maritime services, authorized under part 80 of the Commission's Rules, to provide communications services to ships and other watercraft in coastal and inland waterways. For FY 1998, licensees of Marine (Coast) Stations will pay a \$6 annual regulatory fee per call sign, payable for the entire five-year license term at the time of application for a new, renewal, or reinstatement license. The total regulatory fee due is \$30 per call sign for the five-year license term.

9. Private Land Mobile (Other) Services: These services include Land Mobile Radio Services operating under parts 90 and 95 of the Commission's Rules. Services in this category provide one- or two-way communications between vehicles, persons or fixed stations on a shared basis and include radiolocation services, industrial radio services, and land transportation radio services. For FY 1998, licensees of services in this category will pay a \$6 annual regulatory fee per call sign, payable for an entire five-year license term at the time of application for a new, renewal, or reinstatement license. The total regulatory fee due is \$30 for the five-year license term.

10. Aviation (Aircraft) Service: These services include stations authorized to provide communications between aircraft and between aircraft and ground stations and include frequencies used to communicate with air traffic control facilities pursuant to part 87 of the Commission's Rules. The Telecommunications Act of 1996 gave the Commission the authority to license certain aircraft radio stations by rule rather than by individual license. Private aircraft operators flying entirely within domestic U.S. airspace and who are not otherwise required by treaty or agreement to carry a radio are no longer required to hold an aircraft license, and they will not be required to pay a regulatory fee. For FY 1998, parties required to be licensed and those choosing to be licensed for Aviation (Aircraft) Stations will pay a \$6 annual regulatory fee per station, payable for the entire ten-year license term at the time of application for a new, renewal, or reinstatement license. The total regulatory fee due is \$60 per station for the ten-year license term.

11. Aviation (Ground) Service: This service includes stations authorized to provide ground-based communications to aircraft for weather or landing information, or for logistical support pursuant to part 87 of the Commission's Rules. Certain ground-based stations which only serve itinerant traffic, i.e., possess no actual units on which to assess a fee, are exempt from payment of regulatory fees. For FY 1998, licensees of Aviation (Ground) Stations will pay a \$6 annual regulatory fee per license, payable for the entire five-year license term at the time of application for a new, renewal, or reinstatement license. The total regulatory fee is \$30 per call sign for the five-year license term.

12. General Mobile Radio Service (GMRS): These services include Land Mobile Radio licensees providing personal and limited business communications between vehicles or to fixed stations for short-range, two-way communications pursuant to part 95 of the Commission's Rules. For FY 1998, GMRS licensees will pay a \$6 annual regulatory fee per license, payable for an entire five-year license term at the time of application for a new, renewal or reinstatement license. The total regulatory fee due is \$30 per license for the five-year license term.

c. Amateur Radio Vanity Call Signs

13. Amateur Vanity Call Signs: This fee covers voluntary requests for specific call signs in the Amateur Radio Service authorized under part 97 of the Commission's Rules. For FY 1998,

applicants for Amateur Vanity Call-Signs will pay a \$1.30 annual regulatory fee per call sign, payable for an entire ten-year license term at the time of application for a vanity call sign. The total regulatory fee due would be \$13 per license for the ten-year license term.¹¹⁸

d. Commercial Wireless Radio Services

14. Commercial Mobile Radio Services (CMRS) Mobile Services: The Commercial Mobile Radio Service (CMRS) is an "umbrella" descriptive term attributed to various existing broadband services authorized to provide interconnected mobile radio services for profit to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public. CMRS Mobile Services include certain licensees which formerly were licensed as part of the Private Radio Services (e.g., Specialized Mobile Radio Services) and others formerly licensed as part of the Common Carrier Radio Services (e.g., Public Mobile Services and Cellular Radio Service). While specific rules pertaining to each covered service remain in separate parts 22, 24, 80 and 90, general rules for CMRS are contained in part 20. CMRS Mobile Services will include: Specialized Mobile Radio Services (part 90);¹¹⁹ Personal Communications Services (part 24), Public Coast Stations (part 80); Public Mobile Radio (Cellular, 800 MHz Air-Ground Radiotelephone, and Offshore Radio Services) (part 22). Each licensee in this group will pay an annual regulatory fee for each mobile or cellular unit (mobile or cellular call sign or telephone number), assigned to its customers, including resellers of its services. For FY 1998, the regulatory fee is \$.29 per unit.

15. Commercial Mobile Radio Services (CMRS) Messaging Services: The Commercial Mobile Radio Service (CMRS) is an "umbrella" descriptive term attributed to various existing narrowband services authorized to provide interconnected mobile radio services for profit to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public. CMRS Messaging Services include certain licensees which formerly were licensed as part of the Private Radio Services (e.g., Private Paging, qualifying interconnected Business Radio Services, and 220-222 MHz Land Mobile Systems), licensees formerly licensed as part of the Common Carrier Radio Services (e.g., Public Mobile One-Way Paging), and licensees of Personal Communications Service (PCS) one-way and two-way paging. While specific rules pertaining to each covered service remain in separate parts 22, 24 and 90, general rules for CMRS are contained in part 20. We have replaced the CMRS One-Way Paging regulatory fee category with a CMRS Messaging Services category for regulatory fee collection purposes. Each licensee in the CMRS Messaging Services will pay an annual regulatory fee for each unit (pager, telephone number, or mobile) assigned to its customers, including resellers of its services. For FY 1998, the regulatory fee is \$.04 per unit.

16. Finally, we are reiterating our definition of CMRS payment units to make it clear that fees are assessable on each PCS or cellular telephone and each one-way or two-way pager capable of

¹¹⁸ Section 9(h) exempts "amateur radio operator licenses under part 97 of the Commission's rules (47 CFR part 97)" from the requirement. However, Section 9(g)'s fee schedule explicitly includes "Amateur vanity call signs" as a category subject to the payment of a regulatory fee.

¹¹⁹ This category does not include licensees of private shared-use 220 MHz and 470 MHz and above in the Specialized Mobile Radio (SMR) service who have elected to remain non-commercial. Those who have elected not to change to the Commercial Mobile Radio Service (CMRS) are referred to ¶ 4 of this Attachment.

receiving or transmitting information, whether or not the unit is “active” on the “as of” date for payment of these fees. The unit becomes “feeable” if the end user or assignee of the unit has possession of the unit and the unit is capable of transmitting or receiving voice or non-voice messages or data and the unit is either owned and operated by the licensee of the CMRS system or a reseller, or the end user of a unit has a contractual agreement for provision of a CMRS service from a licensee of a CMRS system or a reseller of a CMRS service. The responsible payer is the CMRS licensee.. For example, John Doe purchases a pager and contractually obtains paging services from Paging Licensee X. Paging Licensee X is responsible for paying the applicable regulatory fee for this unit. Likewise, Cellular Licensee Y donates cellular telephones to a high school and the high school either pays for or obtains free service from the Cellular Licensee Y. In this situation, Cellular Licensee Y is responsible for paying the applicable regulatory fee for these units.

2. Mass Media Services

17. The regulatory fees for the Mass Media fee category apply to broadcast licensees and permittees. Noncommercial Educational Broadcasters are exempt from regulatory fees.

a. Commercial Radio

18. These categories include licensed Commercial AM (Classes A, B, C, and D) and FM (Classes A, B, B1, C, C1, C2, and C3) Radio Stations operating under part 73 of the Commission's Rules.¹²⁰ In response to numerous requests, we have combined class of station and grade B contour population data to formulate a schedule of radio fees which differentiate between stations based on class of station and population served. In general, higher class stations and stations in metropolitan areas will pay higher fees than lower class stations and stations located in rural areas. The specific fee that a station must pay is determined by where it ranks after weighting its fee requirement (determined by class of station) with its population. The regulatory fee classifications for Radio Stations for FY 1998 are as follows:

¹²⁰ The Commission acknowledges that certain stations operating in Puerto Rico and Guam have been assigned a higher level station class than would be expected if the station were located on the mainland. Although this results in a higher regulatory fee, we believe that the increased interference protection associated with the higher station class is necessary and justifies the fee.

RADIO STATION REGULATORY FEES						
Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C1 & C2
<=20,000	400	300	200	250	300	400
20,001 - 50,000	750	600	300	400	600	750
50,001 - 125,000	1,250	800	400	600	800	1,250
125,001 - 400,000	1,750	1,250	600	750	1,250	1,750
400,001 - 1,000,000	2,500	2,000	1,000	1,250	2,000	2,500
>1,000,000	4,000	3,250	1,500	2,000	3,250	4,000

19. Licensees may determine the appropriate fee payment by referring to the list provided at Attachment L to this Report and Order. This same information will be available on the FCC's internet world wide web site (<http://www.fcc.gov>), by calling the FCC's National Call Center (1-888-225-5322), and will be included in the Public Notices mailed to each licensee.

b. Construction Permits - Commercial AM Radio

20. This category includes holders of permits to construct new Commercial AM Stations. For FY 1998, permittees will pay a fee of \$235 for each permit held. Upon issuance of an operating license, this fee would no longer be applicable and licensees would be required to pay the applicable fee for the designated class of the station.

c. Construction Permits - Commercial FM Radio

21. This category includes holders of permits to construct new Commercial FM Stations. For FY 1998, permittees will pay a fee of \$1,150 for each permit held. Upon issuance of an operating license, this fee would no longer be applicable. Instead, licensees would pay a regulatory fee based upon the designated class of the station.

d. Commercial Television Stations

22. This category includes licensed Commercial VHF and UHF Television Stations covered under part 73 of the Commission's Rules, except commonly owned Television Satellite Stations, addressed separately below. Markets are Nielsen Designated Market Areas (DMA) as listed in the Television & Cable Factbook, Stations Volume No. 66, 1998 Edition, Warren Publishing, Inc. The fees for each category of station are as follows:

VHF Markets 1-10.....\$37,575
VHF Markets 11-25.....31,275
VHF Markets 26-50.....21,400

VHF Markets 51-100.....11,975
VHF Remaining Markets.....3,100

UHF Markets 1-10.....\$14,175
UHF Markets 11-25.....10,725
UHF Markets 26-50.....6,650
UHF Markets 51-100.....3,975
UHF Remaining Markets.....1,075

e. Commercial Television Satellite Stations

23. Commonly owned Television Satellite Stations in any market (authorized pursuant to Note 5 of § 73.3555 of the Commission's Rules) that retransmit programming of the primary station are assessed a fee of \$1,175 annually. Those stations designated as Television Satellite Stations in the 1998 Edition of the Television and Cable Factbook are subject to the fee applicable to Television Satellite Stations. All other television licensees are subject to the regulatory fee payment required for their class of station and market.

f. Construction Permits - Commercial VHF Television Stations

24. This category includes holders of permits to construct new Commercial VHF Television Stations. For FY 1998, VHF permittees will pay an annual regulatory fee of \$2,525. Upon issuance of an operating license, this fee would no longer be applicable. Instead, licensees would pay a fee based upon the designated market of the station.

g. Construction Permits - Commercial UHF Television Stations

25. This category includes holders of permits to construct new UHF Television Stations. For FY 1998, UHF Television permittees will pay an annual regulatory fee of \$2,650. Upon issuance of an operating license, this fee would no longer be applicable. Instead, licensees would pay a fee based upon the designated market of the station.

h. Construction Permits - Satellite Television Stations

26. The fee for UHF and VHF Television Satellite Station construction permits for FY 1998 is \$420. An individual regulatory fee payment is to be made for each Television Satellite Station construction permit held.

i. Low Power Television, FM Translator and Booster Stations, TV Translator and Booster Stations

27. This category includes Low Power UHF/VHF Television stations operating under part 74 of the Commission's Rules with a transmitter power output limited to 1 kW for a UHF facility and, generally, 0.01 kW for a VHF facility. Low Power Television (LPTV) stations may retransmit the programs and signals of a TV Broadcast Station, originate programming, and/or operate as a subscription service. This category also includes translators and boosters operating under part 74

which rebroadcast the signals of full service stations on a frequency different from the parent station (translators) or on the same frequency (boosters). The stations in this category are secondary to full service stations in terms of frequency priority. We have also received requests for waivers of the regulatory fees from operators of community based Translators. These Translators are generally not affiliated with commercial broadcasters, are nonprofit, non-profitable, or only marginally profitable, serve small rural communities, and are supported financially by the residents of the communities served. We are aware of the difficulties these Translators have in paying even minimal regulatory fees, and we have addressed those concerns in the ruling on reconsideration of the FY 1994 Report and Order. Community based Translators are exempt from regulatory fees. For FY 19978 licensees in low power television, FM translator and booster, and TV translator and booster category will pay a regulatory fee of \$265 for each license held.

j. Broadcast Auxiliary Stations

28. This category includes licensees of remote pickup stations (either base or mobile) and associated accessory equipment authorized pursuant to a single license, Aural Broadcast Auxiliary Stations (Studio Transmitter Link and Inter-City Relay) and Television Broadcast Auxiliary Stations (TV Pickup, TV Studio Transmitter Link, TV Relay) authorized under part 74 of the Commission's Rules. Auxiliary Stations are generally associated with a particular television or radio broadcast station or cable television system. This category does not include translators and boosters (see ¶ 26 infra). For FY 1998, licensees of Commercial Auxiliary Stations will pay an \$11 annual regulatory fee on a per call sign basis.

k. Multipoint Distribution Service

29. This category includes Multipoint Distribution Service (MDS), and Multichannel Multipoint Distribution Service (MMDS), authorized under part 21 of the Commission's Rules to use microwave frequencies for video and data distribution within the United States. For FY 1998, MDS and MMDS stations will pay an annual regulatory fee of \$260 per call sign.

3. Cable Services

a. Cable Television Systems

30. This category includes operators of Cable Television Systems, providing or distributing programming or other services to subscribers under part 76 of the Commission's Rules. For FY 1998, Cable Systems will pay a regulatory fee of \$.44 per subscriber.¹²¹ Payments for Cable Systems are to be made on a per subscriber basis as of December 31, 1997. Cable Systems should determine their subscriber numbers by calculating the number of single family dwellings, the number of individual households in multiple dwelling units, e.g., apartments, condominiums, mobile home parks, etc., paying at the basic subscriber rate, the number of bulk rate customers and the number of courtesy or fee customers. In order to determine the number of bulk rate subscribers, a system should divide its bulk rate charge by the annual subscription rate for individual

¹²¹ Cable systems are to pay their regulatory fees on a per subscriber basis rather than per 1,000 subscribers as set forth in the statutory fee schedule. See FY 1994 Report and Order at ¶ 100.

households. See FY 1994 Report and Order, Appendix B at ¶ 31.

b. Cable Antenna Relay Service

31. This category includes Cable Antenna Relay Service (CARS) stations used to transmit television and related audio signals, signals of AM and FM Broadcast Stations, and cablecasting from the point of reception to a terminal point from where the signals are distributed to the public by a Cable Television System. For FY 1998, licensees will pay an annual regulatory fee of \$50 per CARS license.

4. Common Carrier Services

a. Commercial Microwave (Domestic Public Fixed Radio Service)

32. This category includes licensees in the Point-to-Point Microwave Radio Service, Local Television Transmission Radio Service, and Digital Electronic Message Service, authorized under part 101 of the Commission's Rules to use microwave frequencies for video and data distribution within the United States. These services are now included in the Microwave category (see ¶ 5 infra).

b. Interstate Telephone Service Providers

33. This category includes Inter-Exchange Carriers (IXCs), Local Exchange Carriers (LECs), Competitive Access Providers (CAPs), domestic and international carriers that provide operator services, Wide Area Telephone Service (WATS), 800, 900, telex, telegraph, video, other switched, interstate access, special access, and alternative access services either by using their own facilities or by reselling facilities and services of other carriers or telephone carrier holding companies, and companies other than traditional local telephone companies that provide interstate access services to long distance carriers and other customers. This category also includes pre-paid calling card providers. These common carriers, including resellers, must submit fee payments based upon their proportionate share of gross interstate revenues using the methodology that we have adopted for calculating contributions to the TRS fund. See Telecommunications Relay Services, 8 FCC Rcd 5300 (1993), 58 FR 39671 (July 26, 1993). In order to avoid imposing any double payment burden on resellers, we will permit carriers to subtract from their gross interstate revenues, as reported to NECA in connection with their TRS contribution, any payments made to underlying common carriers for telecommunications facilities and services, including payments for interstate access service, that are sold in the form of interstate service. For this purpose, resold telecommunications facilities and services are only intended to include payments that correspond to revenues that will be included by another carrier reporting interstate revenue. For FY 1998, carriers must multiply their adjusted gross revenue figure (gross revenue reduced by the total amount of their payments to underlying common carriers for telecommunications facilities or services) by the factor 0.0011 to determine the appropriate fee for this category of service. Regulatees may want to use the following worksheet to determine their fee payment:

	TOTAL	INTERSTATE
(1) Revenue reported in TRS Fund worksheets		
(2) Less: Access charges paid		
(3) Less: Other telecommunications facilities and services taken for resale		
(4) Adjusted revenues (1)minus(2)minus(3)		
(5) Fee factor		0.0011
(6) Fee due (4)times(5)		

5. International Services

a. Earth Stations

34. Very Small Aperture Terminal (VSAT) Earth Stations, equivalent C-Band Earth Stations and antennas, and earth station systems comprised of very small aperture terminals operate in the 12 and 14 GHz bands and provide a variety of communications services to other stations in the network. VSAT systems consist of a network of technically-identical small Fixed-Satellite Earth Stations which often include a larger hub station. VSAT Earth Stations and C-Band Equivalent Earth Stations are authorized pursuant to part 25 of the Commission's Rules. Mobile Satellite Earth Stations, operating pursuant to part 25 of the Commission's Rules under blanket licenses for mobile antennas (transceivers), are smaller than one meter and provide voice or data communications, including position location information for mobile platforms such as cars, buses, or trucks.¹²² Fixed-Satellite Transmit/Receive and Transmit-Only Earth Station antennas, authorized or registered under part 25 of the Commission's Rules, are operated by private and public carriers to provide telephone, television, data, and other forms of communications. Included in this category are telemetry, tracking and control (TT&C) earth stations, and earth station uplinks. For FY 1998, licensees of VSATs, Mobile Satellite Earth Stations, and Fixed-Satellite Transmit/Receive and Transmit-Only Earth Stations will pay a fee of \$165 per authorization or registration as well as a separate fee of \$165 for each associated Hub Station.

35. Receive-only earth stations. For FY 1998, there is no regulatory fee for receive-only earth stations.

b. Space Stations (Geostationary)

36. Geostationary Space Stations are domestic and international satellites positioned in orbit to remain approximately fixed relative to the earth. Most are authorized under part 25 of the Commission's Rules to provide communications between satellites and earth stations on a common

¹²² Mobile earth stations are hand-held or vehicle-based units capable of operation while the operator or vehicle is in motion. In contrast, transportable units are moved to a fixed location and operate in a stationary (fixed) mode. Both are assessed the same regulatory fee for FY 1997.